

CHAPTER 107
BEVERAGE CONTAINER DEPOSITS

[Prior to 7/1/83, DEQ Ch 34]

[Prior to 12/3/86, Water, Air and Waste Management[900]]

567—107.1(455C) Scope. This chapter is intended to implement the provisions of Iowa Code chapter 455C. The Act requires that every alcoholic liquor container, beer, mineral water, soda water or carbonated soft drink container sold in Iowa for consumption off the premises of the dealer be subject to a deposit of 5 cents or more. Such container must have indicated on it that the container is subject to a minimum refund of 5 cents or must be exempt from the requirement of having the refund value indicated on it. An empty container on which an Iowa deposit was made may be returned to any dealer in the state who sells the kind, brand and size of container or may be returned to a redemption center. The dealer or redemption center must accept the empty container and refund the deposit.

Iowa Code section 455C.2(2) provides in part: “A dealer, dealer agent, or person operating a redemption center may compact empty metal beverage containers with the approval of the distributor required to accept the containers.” So far as metal beverage containers are concerned, such right of approval by the distributor would be meaningless if the dealer were required to accept and redeem crushed metal beverage containers from consumers. Since there appears to be no reason to treat distributors of nonrefillable glass beverage containers differently from distributors of metal beverage containers, there is presumably a corresponding right for the distributors of nonrefillable glass beverage containers to approve the destruction of the containers.

The Act also prohibits the sale at retail of any metal beverage container so designed and constructed that a part of the container is detachable in opening, the so-called “pop-top can.”

This chapter contains rules specifying the minimum size of type to be used for indicating the minimum refund value on beverage containers, rules relating to approval of redemption centers for beverage containers and rules relating to exemptions from labeling the refund value on beverage containers. This chapter also contains interpretive rules that clarify or interpret the statute or apply the statute to specific factual situations.

567—107.2(455C) Definitions. As used in this chapter:

“*Act*” means Iowa Code chapter 455C.

“*Alcoholic beverage*” means any beverage containing more than one-half of 1 percent of alcohol by volume including alcoholic liquor, wine, and beer.

“*Alcoholic liquor*” or “*intoxicating liquor*” means the varieties of liquor defined hereunder in paragraphs 1 and 2 which contain more than 5 percent of alcohol by weight, beverages made as described in the definition of “beer” which beverages contain more than 5 percent of alcohol by weight but which are not wine as defined in this rule, and every other liquid or solid, patented or not, containing spirits and every beverage obtained by the process described in the definition of “wine” containing more than 17 percent alcohol by weight, and susceptible of being consumed by a human being, for beverage purposes.

1. “*Alcohol*” means the product of distillation of any fermented liquor rectified one or more times, whatever may be the origin thereof, and includes synthetic ethyl alcohol.

2. “*Spirits*” means any beverage which contains alcohol obtained by distillation mixed with drinkable water and other substances in solution, including, but not limited to, brandy, rum, whiskey, and gin.

3. Rescinded effective July 1, 1985.

“Approved redemption center” means a redemption center approved by the department pursuant to 107.4(1).

“Beer” means any liquid capable of being used for beverage purposes made by the fermentation of an infusion in potable water of barley, malt, and hops, with or without unmalted grains or decorticated and degerminated grains or made by the fermentation of or by distillation of the fermented products of fruit, fruit extracts, or other agricultural products, containing more than one-half of 1 percent of alcohol by volume but not more than 5 percent of alcohol by weight but not including mixed drinks or cocktails mixed on the premises.

“Beverage” means wine as defined in Iowa Code section 123.3, subsection 7, alcoholic liquor as defined in Iowa Code section 123.3, subsection 8, beer as defined in Iowa Code section 123.3, subsection 9, mineral water, soda water or similar carbonated soft drinks in liquid form intended for human consumption.

“Beverage container” means any sealed glass, plastic, or metal bottle, can, jar or carton containing a beverage.

“Carbonated” means charged under pressure with carbon dioxide.

“Commission” means the environmental protection commission of the department of natural resources.

“Consumer” means any person who purchases a beverage in a beverage container for use or consumption.

“Dealer” means any person who engages in the sale of beverages in beverage containers to a consumer.

“Dealer agent” means a person who solicits or picks up empty beverage containers from a dealer for the purpose of returning the empty beverage containers to a distributor or manufacturer.

“Department” means the department of natural resources.

“Director” means the director of the department of natural resources.

“Distributor” means any person who engages in the sale of beverages in beverage containers to a dealer in this state, including any manufacturer who engages in such sales.

“Emboss” means to raise the surface in relief.

“Exempt beverage container” means a beverage container that is not marked with the words “Iowa Refund 5¢” because it is a refillable glass beverage container having a brand name permanently marked on it and having a refund value of 5 or more cents or because it is a refillable metal or plastic beverage container that has been exempted, in accordance with the procedure of 107.3(7), from the requirement of having the refund value marked on the container. An exempt beverage container is exempt from having the words “Iowa Refund 5¢” indicated on the container, but is not necessarily exempt from the minimum deposit.

“Exempt dealer” means a dealer named in a department order that approves a redemption center pursuant to 107.4(1).

“High-contrasting color” in reference to labeling requirements means a clear differentiation in hue, value, and intensity with the background on which the redemption message appears, surrounding artwork, and other nearby printed information.

“Incise” means to scratch the surface to produce legible letters or characters at a precise width and depth.

“Indelibly” means that the refund value is permanently affixed on the beverage container and cannot be smeared or removed during regular use from the point of being offered for sale until the point of redemption.

“Manufacturer” means any person who bottles, cans, or otherwise fills beverage containers for sale to distributors or dealers.

“Mineral water” means water naturally or artificially infused with mineral salts or gases. Mineral water may be carbonated or uncarbonated.

“Redemption center” means any establishment other than a dealer’s premises at which consumers may return empty beverage containers and receive payment of the refund value of the containers, or means the premises of a dealer if the dealer voluntarily chooses to accept, and refund the deposit on, empty beverage containers (other than alcoholic liquor containers) that are not of the kind, size and brand sold by the dealer. A redemption center is either an approved redemption center or an unapproved redemption center.

“Redemption center for a dealer” means a redemption center that provides beverage container sorting and handling services for a dealer and that has been certified by the department pursuant to 107.4(3).

“Registered redemption center” means a redemption center registered with the department pursuant to 107.4(4).

“Soda water” means water that has been carbonated.

“Soft drink” means any nonalcoholic liquid other than mineral water or soda water intended for human consumption.

“Unapproved redemption center” means a redemption center that is not an approved redemption center or a registered redemption center.

“Wine” means any beverage containing more than 5 percent but not more than 17 percent alcohol by weight obtained by the fermentation of the natural sugar contents of fruits or other agricultural products but excluding any product containing alcohol derived from malt or by the distillation process from grain, cereal, molasses, or cactus.

This rule is intended to implement Iowa Code sections 455C.1 and 455C.9.

567—107.3(455C) Labeling requirements.

107.3(1) All beer, wine, alcoholic liquor, mineral water, soda water and similar carbonated soft drink containers (other than exempt containers) sold or offered for sale in Iowa by a dealer shall have the words “Iowa Refund 5¢” or “IA 5¢” clearly, indelibly and legibly indicated on the container. If the refund value is more than 5 cents, the greater value may be indicated, e.g., “Iowa Refund 10¢” or “IA 10¢.” Any abbreviation of the words “Iowa Refund” other than as provided in this subrule shall be submitted to and approved by the department.

107.3(2) The minimum size of the words “Iowa Refund 5¢” or “IA 5¢” and all approved abbreviations shall be a minimum of 9-point type (approximately .125 inch or 3 millimeters) if the words are embossed or incised and 18-point type (approximately .25 inch or 6 millimeters) if the words are otherwise affixed to the container. A stamp or label may have the words “Iowa Refund 5¢” or “IA 5¢” in less than 18-point type if the label is submitted to the department and the department determines that the high-contrasting color or the characteristics of the stamp or label make the stamp or label as easy to discern as a stamp or label with 18-point type.

107.3(3) The words “Iowa Refund 5¢” or “IA 5¢” shall be indicated by embossing (raised letters), by incising, by printing in high-contrasting color, by a stamp or label of high-contrasting color, or other method approved by the department securely and permanently affixed to the container.

107.3(4) Rescinded IAB 4/17/02, effective 5/22/02.

107.3(5) The words “Iowa Refund 5¢” or “IA 5¢” shall be on the top of a metal beverage container. The words “Iowa Refund 5¢” or “IA 5¢” shall be on the conical portion of a glass or plastic beverage container so that the words are visible from above or shall be on the product label. The placement of refund information solely on the bottom of the beverage container is prohibited.

107.3(6) An example of the label or labeled container may, but need not, be submitted to the department for informal approval.

107.3(7) An application for exemption from the requirement of having the words “Iowa Refund 5¢” or “IA 5¢” indicated on the container shall be on Form LQ 37 or on 8½” × 11” paper and shall contain:

- a. The name, address and telephone number of the applicant;
- b. The refund value of the container; and
- c. A statement of why the container can be readily and permanently identified by consumers as subject to a deposit.

107.3(8) An example of the container for which the exemption is being requested shall be sent to the department along with the application required in 107.3(7).

107.3(9) The department may exempt the container if the department determines that the container is subject to a deposit of 5 or more cents and that consumers can readily and permanently identify the container as one subject to a deposit.

567—107.4(455C) Redemption centers. The Act provides for both approved and unapproved redemption centers. Both approved and unapproved redemption centers redeem empty beverage containers and pay the refund value to consumers. Additionally, the Act recognizes “a redemption center for a dealer.” Unapproved redemption centers in existence on May 22, 2002, and served by distributors on a voluntary basis may formalize the status quo by registering with the department pursuant to 107.4(4).

107.4(1) Approved redemption centers.

- a. Any person may file with the department an application for approval of a redemption center.
- b. An application for approval of a redemption center shall be submitted on Form LQ38 or on 8½” × 11” paper and shall contain the following information:

- (1) Name, address and telephone number of the redemption center;
- (2) Name, address and telephone number of the person or persons responsible for the establishment and operation of the redemption center;
- (3) Indication that the redemption center will accept all kinds, sizes, and brand names of beverage containers sold by the dealers served by the redemption center;
- (4) Names and addresses of the dealers to be served by the redemption center and the written consent of those dealers to be served by the redemption center;
- (5) Distance, in blocks or other appropriate measure, from the redemption center to each dealer to be served by the redemption center;
- (6) Names and addresses of the distributors whose beverage containers will be redeemed;
- (7) Hours during which the redemption center is to be open;
- (8) Whether metal, glass or plastic beverage containers will be crushed or broken and, if so, the written consent of the distributor or manufacturer to the crushing or breaking;
- (9) Reasons why the redemption center and the dealers to be served by it believe that the redemption center will provide a convenient service to consumers.

c. A redemption center shall be approved as a redemption center for a dealer if the department determines that the redemption center will provide a convenient service to the dealer’s customers. The department order that approves the redemption center shall name the dealers to be served by the redemption center.

d. An approved redemption center may file with the department a supplemental application to serve additional dealers. The supplemental application shall be in the form and contain the information required by paragraph “b.” If the department finds that the redemption center will provide a convenient service to the customers of those additional dealers which the redemption center proposes to serve, the department shall supplement its order approving the redemption center to name the additional dealers.

e. A dealer named in the department order that approves a redemption center or named in a supplemental order shall be an exempt dealer.

f. The department may at any time rescind the order approving a redemption center or terminate the exemption of a dealer if the department determines, after notice and hearing, that the redemption center is in violation of the Act or this chapter or that the redemption center is no longer meeting the above criteria or is no longer providing a convenient service to a dealer's customers.

g. A dealer may withdraw its consent to be served by a redemption center which is approved as a redemption center for the dealer by filing with the department written notice of withdrawal of consent. A dealer which has withdrawn its consent is no longer an exempt dealer, and the approval of its redemption center as a redemption center for the dealer is thereby terminated.

h. An approved redemption center shall accept from consumers and shall pay the refund value for all beverage containers that bear an Iowa refund value and are of the kinds, sizes and brand names sold by the dealers for which it is an approved redemption center.

i. An approved redemption center shall be in operation and open to the public for redemption of beverage containers at least 20 hours per week, 4 hours of which shall be between the hours of 6 p.m. and 10 p.m. or on Saturday or Sunday, or a combination thereof.

j. When an approved redemption center is closing permanently, it shall give to the department notice that includes the redemption center's final date of operation. As of the final date of operation, the redemption center's approval as a redemption center shall be terminated and a dealer it was approved to serve shall no longer be an exempt dealer.

107.4(2) Unapproved redemption centers. Nothing in the Act or this chapter prevents a person from establishing a redemption center that has not been approved by, certified by, or registered with the department. Before commencing operations, unapproved redemption centers shall provide the following to the department:

- a.* Name, address and telephone number of the redemption center;
- b.* Name, address and telephone number of the person or persons responsible for the establishment and operation of the redemption center; and
- c.* Operating hours of the redemption center.

When the redemption center is closing permanently, it shall give to the department notice that includes the redemption center's final date of operation.

107.4(3) Redemption center for a dealer.

a. A redemption center that proposes to provide beverage container sorting or handling services for a dealer but that is not an approved redemption center for the dealer may file with the department an application for certification as a redemption center for the dealer.

b. An application for certification as a redemption center for a dealer shall be on a form provided by the department on 8½" × 11" paper and shall contain the following information:

- (1) Name, address and telephone number of the redemption center;
- (2) Name, address and telephone number of the person or persons responsible for the establishment or operation of the redemption center;
- (3) Names and addresses of the dealers for whom the redemption center is to provide beverage container sorting or handling services, the services to be provided to each dealer and the written consents of those dealers to be served by the redemption center;
- (4) Names and addresses of the distributors for which the redemption center will provide beverage container sorting or handling services;
- (5) Whether metal, glass or plastic beverage containers will be crushed or broken and, if so, the written consent of the distributor or manufacturer to the crushing or breaking.

c. A redemption center which meets the above criteria shall be certified as a redemption center for that dealer.

d. A dealer for which the redemption center is certified is not an exempt dealer.

e. The department may at any time terminate the certification of a redemption center as a redemption center for that dealer if the department determines, after notice and hearing, that the redemption center is in violation of the Act or this chapter or no longer meets the above criteria.

f. A dealer may withdraw its consent to be served by a redemption center for that dealer by filing with the department written notice of withdrawal of consent, and the certification of the redemption center as a redemption center for that dealer is thereby terminated.

g. When a redemption center for a dealer is no longer serving a dealer for which it is certified, the redemption center shall notify the department. When a redemption center is no longer serving any dealers for which it is certified, its certification as a redemption center for a dealer is terminated.

107.4(4) Registered redemption centers.

a. A redemption center which was in operation and open to the public for redemption of beverage containers on May 22, 2002, may on or before 90 days from December 17, 2002, file an application for registration with the department. The department shall not accept an application for registration of a redemption center after 90 days from December 17, 2002.

b. An application for registration of a redemption center shall be on a form provided by the department or on an 8½" × 11" paper and shall contain the following information:

- (1) Name, physical address, and telephone number of the redemption center;
- (2) Name, address and telephone number of the person or persons responsible for the operation of the redemption center;
- (3) Kinds, sizes and brand names of the beverage containers that are accepted by the redemption center;
- (4) Hours the redemption center is open;
- (5) Names and addresses of the distributors that are picking up beverage containers from the redemption center;
- (6) Whether metal, glass or plastic beverage containers will be crushed or broken and, if so, the written consent of the distributor or manufacturer to the crushing or breaking;
- (7) Proof that the redemption center was in operation and open to the public for redemption of beverage containers on May 22, 2002.

c. A redemption center shall be accepted for registration if the department is satisfied the redemption center was in operation and open to the public for redemption of beverage containers on May 22, 2002, at the location specified in its application. The registration shall be specific to the location in business on May 22, 2002, and may not be expanded to encompass additional locations, but a registered redemption center, with the approval of the department, may relocate to a new location within five miles of its original location so long as the existing location is closed.

d. The department may at any time terminate the registration of a redemption center if the department determines, after notice and hearing, that the redemption center is in violation of the Act or this chapter.

e. A registered redemption center shall accept from consumers and shall pay the refund value for all beverage containers bearing an Iowa refund value which are of the kinds, sizes and brand names listed in its application for registration.

f. A registered redemption center shall be in operation and open to the public for redemption of beverage containers at least 20 hours per week.

g. When a registered redemption center is closing permanently, it shall give notice to the department, including the final date of operation, and its registration as a registered redemption center is terminated as of that date.

107.4(5) An exempted dealer must prominently post on the premises of the dealer a sign provided at no cost by the department. The sign will include the location and hours of the redemption center.

107.4(6) An approved redemption center must notify the department and any exempted dealers with which it has agreements 30 days prior to the redemption center's closing.

567—107.5(455C) Redeemed containers—use. Distributors are requested to inform the department of the intended ultimate use or disposal of redeemed beverage containers. The commission requires the reuse or recycling of empty beverage containers, and the department will assist distributors in finding and examining alternatives to burial of empty containers in sanitary landfills.

567—107.6(455C) Rules relating to alcoholic liquor containers and wine containers purchased from state-owned liquor stores. Rescinded IAB 4/17/02, effective 5/22/02.

567—107.7(455C) Redeemed containers must be reasonably clean. Consumers shall take care to return containers in a reasonably clean and intact condition. In order to be redeemed, an empty beverage container shall be dry and free of foreign materials other than the dried residue of the beverage.

567—107.8(455C) Interpretive rules.

107.8(1) Beverage containers “sold” on interstate carriers. It is common practice for interstate carriers to provide or sell soft drinks, beer, wine, or alcoholic liquor to passengers for consumption on the conveyance. Such containers are not a litter problem and their return would be impractical. Since statutes should be construed to avoid a strained or impractical result, the commission believes that control of the beverage containers “sold” on interstate carriers is beyond the objectives sought to be obtained by the Act and that these containers are not subject to the deposit and labeling requirements of the Act.

†**107.8(2)** Beverage containers must be reasonably intact. In order to be redeemed, an empty beverage container must be returned reasonably intact. For a refillable beverage container, the container must hold liquid, be able to be resealed and be in its original shape. A nonrefillable glass container may be chipped, but it may not have the bottom broken out or the neck broken off. A nonrefillable metal container may be dented or partially crushed, but may not be crushed flat. A returned beverage container should be able to stand on its own base.

107.8(3) Vending machines.

a. When a beverage container is dispensed from a vending machine in exchange for money, there is presumed to be a sale of a beverage in a beverage container to a consumer. Therefore some person must be the “dealer” who is responsible for collecting the deposit at the time of sale and for refunding the deposit when the empty beverage container is returned. Because of the variety of contractual relationships surrounding operation of a vending machine, the person who is the “dealer” might be the owner of the vending machine, the lessee of the vending machine, the owner of the premises on which the vending machine is located, or the person who stocks the vending machine. It is incumbent upon the parties involved in the operation of a vending machine to determine the person who is the “dealer” and to indicate prominently on the vending machine the name, location and normal operating hours of the dealer (or an approved redemption center) if the dealer does not have personnel on its premises.

b. If the vending machine is located on premises where personnel of the dealer are not normally working, there is no obligation to provide personnel to redeem beverage containers at the site of the vending machine. However, the “dealer” must provide for redemption of beverage containers at the dealer’s usual working place.

107.8(4) Transfer tanks, premix tanks and beer kegs. Because transfer tanks, premix tanks and beer kegs (half-kegs, quarter kegs or pony kegs) are refillable, are returned to distributors and are not a litter problem, the commission believes that control of these containers is beyond the objectives sought to be obtained by the Act and that these containers are not subject to the deposit and labeling requirements of the Act.

107.8(5) Return limits. Dealers may limit the number of containers returned by an individual to 120 containers in a 24-hour period. Redemption centers may limit the number of containers returned by an individual to 500 containers in a 24-hour period.

†Objection filed 1/5/79, see [DEQ, 34.8(2)] IAB 1/24/79.

107.8(6) Hours of returns for dealers. A dealer, unless exempted pursuant to 107.4(4), must accept returns, at a minimum, from 7 a.m. to 10 p.m. unless the dealer's operating hours are shorter, in which case returns shall be limited to the dealer's hours of operation. If a dealer chooses to limit the hours of returns, the dealer must post a sign stating the hours during which beverage containers are accepted for return.

107.8(7) A dealer shall provide to the department upon request the name, telephone number and address of the distributor of any or all beverages sold by the dealer.

567—107.9(455C) Pickup and acceptance of redeemed containers.

107.9(1) *Pickup from dealers.* A distributor shall accept and pick up from a dealer served by the distributor, other than an exempt dealer, all empty beverage containers that bear an Iowa refund value and are of the kinds, sizes and brand names sold by the distributor. The distributor shall pick up the empty beverage containers at least weekly, or when the distributor delivers the beverage product to the dealer if deliveries are less frequent than weekly, unless otherwise agreed to by both the distributor and the dealer.

107.9(2) *Pickup from approved redemption centers and redemption centers certified as a redemption center for a dealer.* A distributor shall pick up from an approved redemption center for a dealer served by the distributor and from a redemption center certified as a redemption center for a dealer served by the distributor all empty beverage containers that bear an Iowa refund value and are of the kinds, sizes and brand names sold by the distributor. The distributor shall pick up the empty beverage containers at least weekly, or when the distributor delivers the beverage product to the dealer for which the redemption center is certified as a redemption center if deliveries are less frequent, unless otherwise agreed to by both the distributor and the approved redemption center or the certified redemption center for a dealer, as the case may be.

107.9(3) *Pickup from registered redemption centers.* A distributor shall pick up from a registered redemption center at the physical address specified in the redemption center's application, or at a new location approved by the department pursuant to 107.4(4), all empty beverage containers that bear an Iowa refund value and are of the kinds, sizes and brand names sold by the distributor. The distributor shall pick up the empty beverage containers according to the following schedule:

a. At least as frequently as the distributor picks up empty beverage containers from a dealer served by the distributor and located within three road miles of the registered redemption center, but not less frequently than once every ten calendar days;

b. At least once every ten calendar days for a registered redemption center located more than three road miles from the closest dealer served by the distributor; or

c. As agreed to by both the distributor and the registered redemption center.

107.9(4) *Acceptance of redeemed containers from redemption centers.* A distributor shall accept delivery of empty beverage containers from and pay the refund value and handling fee to a redemption center located within the distributor's geographic service area provided that the containers bear an Iowa refund value and are of the kinds, sizes and brand names sold by the distributor.

107.9(5) *Acceptance of redeemed containers from dealer agents.* A distributor shall accept delivery of empty beverage containers from and pay the refund value and handling fee to a dealer agent provided that the containers were picked up by the dealer agent within the distributor's geographic service area and that they bear an Iowa refund value and are of the kinds, sizes and brand names sold by the distributor.

107.9(6) *Notification of frequency.* A distributor shall notify each dealer served by the distributor of the intended frequency of pickup. A distributor shall notify each redemption center from which the distributor is required to pick up containers of the intended frequency of pickup.

107.9(7) *Partial pickup.* A distributor which picks up containers more often than the required frequency shall not be required to pick up all available containers from a dealer or redemption center at each pickup provided that all available containers are picked up from the dealer or redemption center within the required frequency.

567—107.10(455C) Dealer agent lists. A dealer agent shall provide to a distributor upon request a list of the dealers that the dealer agent is serving.

567—107.11(455C) Refund value stated on containers—exceptions. Exceptions in Iowa Code section 455C.5(2) are limited to once in a 24-hour period.

567—107.12(455C) Education. Dealers who are not exempt dealers pursuant to 107.4(4) and redemption centers shall maintain and prominently display at the point of redemption easily readable signage using language developed by the department in cooperation with dealers and redemption centers. The signage shall provide information regarding prohibited practices, consumers' responsibilities when returning containers, and the ability of dealers to limit the number of containers returned in accordance with 107.8(5). The department shall provide language for the signs on the department's Web site.

567—107.13(455C) Refusing payment when a distributor discontinues a specific beverage product. A distributor, dealer or redemption center may refuse to pay the refund value and the handling fee in the following situations:

107.13(1) A distributor may refuse to pay the refund value if the distributor has given notice, in writing, to dealers to whom the distributor sold similar beverage containers and to the redemption centers served by the distributor and if at least four months have elapsed since the mailing of such notice. The notice shall state that the particular kind, size and brand of container offered for refund has been discontinued. This notice will be mailed not more than 30 days before the final delivery of the product.

107.13(2) A dealer or redemption center may refuse to pay the refund value of beverages discontinued by the distributor, in accordance with subrule 107.13(1), no sooner than three months after the distributor has mailed the notice required by subrule 107.13(1). In no event shall a dealer or redemption center refuse to pay the refund value of discontinued beverages unless such dealer or redemption center shall have posted for at least 30 days a conspicuous notice advising consumers of the final date of acceptance.

567—107.14(455C) Payment of refund value.

107.14(1) *Payment to dealers.* A distributor shall issue to a dealer payment of the refund value and handling fee within one week following pickup or when the dealer pays the distributor for the beverages, if payment is less frequent than weekly.

107.14(2) *Payment to approved redemption centers and redemption centers certified as a redemption center for a dealer.* A distributor shall issue to an approved redemption center and to a redemption center for a dealer payment of the refund value and handling fee within one week following pickup unless otherwise agreed to by both the distributor and the redemption center.

107.14(3) *Payment to registered redemption centers.* A distributor shall issue to a registered redemption center payment of the refund value and handling fee within one week following pickup or when the dealer which is served by the distributor and which is closest to the registered redemption center pays the distributor for the beverages supplied by the distributor, if payment is less frequent than weekly. Payment to a registered redemption center shall be issued by a distributor at least every 14 calendar days unless otherwise agreed to by both the distributor and the registered redemption center.

107.14(4) *Payment to redemption centers and dealer agents delivering containers to distributors.* A distributor shall issue to a redemption center or dealer agent payment of the refund value and handling fee within one week of delivery and acceptance of empty beverage containers, unless otherwise agreed to by both the redemption center and the distributor or by both the dealer agent and the distributor, as the case may be.

567—107.15(455C) Sales tax on deposits. The department of revenue and finance has determined that the payment of the deposit by a consumer is not a sale subject to the payment of additional sales tax.

These rules are intended to implement Iowa Code chapter 455C.

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†The Administrative Rules Review Committee at their January 4, 1979, meeting delayed [DEQ 34.8(1)] 107.8(1) under provisions of 67 GA, SF 244, §19.

*Effective date of amendments to 567—107.1(455C) to 567—107.15(455C) adopted as ARC 1538B delayed 70 days by the Administrative Rules Review Committee at its meeting held May 15, 2002. At its meeting held July 9, 2002, the Committee delayed the effective date until adjournment of the 2003 Session of the General Assembly. At its meeting held August 13, 2002, the Committee lifted the delay, with the exception of 107.4(3) "d," 107.4(4), 107.9(2), 107.9(3) and the second paragraph of 107.14, which were placed under Session Delay and remained delayed until December 17, 2002, when amendments published January 8, 2003, became effective.